

each year that the annual report of the Secretary under section

113 of this title is submitted to Congress."

(e) CONFORMING AMENDMENT.—Section 641(1)(B) of such title is amended by inserting "5143, 5144," after "3038,".

SEC. 1213. REVIEW OF ACTIVE DUTY AND RESERVE
GENERAL AND
FLAG OFFICER AUTHORIZATIONS.

(a) REPORT TO CONGRESS.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing any recommendations of the Secretary (together with the rationale of the Secretary for the recommendations) concerning the following:

- (1) Revision of the limitations on general and flag officer grade authorizations and distribution in grade prescribed by sections 525, 526, and 12004 of title 10, United States Code.
- (2) Statutory designation of the positions and grades of any additional general and flag officers in the commands and offices created by sections 1211 and 1212.

(b) MATTERS TO BE INCLUDED.—The Secretary shall include in the report under subsection (a) the Secretary's views on whether current limitations referred to in subsection (a) —

- (3) permit the Secretaries of the military departments, in view of increased requirements for assignment of general and flag officers in positions external to their organic services, to meet adequately both internal and external requirements for general and flag officers:

(4) adequately recognize the significantly increased role of the reserve components in both service-specific and joint operations; and

- (5) permit the Secretaries of the military departments and the reserve components to assign general and flag officers to active and reserve component positions with grades commensurate with the scope of duties and responsibilities of the position.

(c) EXEMPTIONS FROM ACTIVE-DUTY CEILINGS.—(1) The Secretary shall include in the report under subsection (a) the Secretary's recommendations regarding the merits of exempting from any active-duty ceiling (established by law or administrative action) the following officers:

- (6) Reserve general and flag officers assigned to positions specified in the organizations created by this title.
- (7) Reserve general and flag officers serving on active duty, but who are excluded from the active-duty list.

(2) If the Secretary determines under paragraph (1) that any

Reserve general or flag officers should be exempt from active duty limits, the Secretary shall include in the report under subsection

(a) the Secretary's recommendations for —

(8) the effective management of those Reserve general and flag officers; and
(9) revision of active duty ceilings so as to prevent an increase in the numbers of active general and flag officers authorizations due solely to the removal of Reserve general and flag officers from under the active duty authorizations.

(3) If the Secretary determines under paragraph (1) that active and reserve general officers on active duty should continue to be managed under a common ceiling, the Secretary shall make recommendations for the appropriate apportionment of numbers for general and flag officers among active and reserve officers.